Council Agenda: 5/16/95 8 (a)

Item Number:

CITY OF SAN JOSE **MEMORANDUM**

TO: City Council

FROM: Mayor Susan Hammer.

Vice-mayor Trixie Johnson

Councilmember Margie Fernandes

SUBJECT: Greenline Initiative

DATE: May 15, 1995

INSTITUTE OF GOVERNMENTAL

APPROVED:

DATE:

UNIVERSITY OF CALIFORNIA

RECOMMENDATION

Approve in concept the Greenline Initiative; support the creation of an explicit Urban Growth Boundary for San Jose and adoption of a joint implementation agreement with the County of Santa Clara.

Direct Vice Mayor Trixie Johnson, Councilmember Margie Fernandes, the City Attorney and the Director of Planning to establish a work plan with the County for determining the boundary and scope of an agreement.

BACKGROUND

For more than two decades, San Jose's leaders have recognized the need to limit suburban sprawl and preserve open space, especially on our hillsides. We have controlled growth in order to ensure that future generations can experience the same quality of life that we enjoy today.

Because of this commitment, the City of San Jose is a national leader in the creation of progressive land use policies. In 1976, the City adopted GP'75, its first comprehensive General Plan, and first plan to address growth management issues. In 1982, the City established the Greenline Strategy as part of the Horizon 2000 General Plan to preserve the scenic backdrop of the hillsides. The recently adopted San Jose 2020 General Plan includes the Sustainable City Strategy, a guide for promoting a healthy living environment through the conservation of natural and manmade resources. It also includes new hillside development policies that lower allowable development densities and impose more stringent geologic safeguards.

San Jose has created a number of effective policies to implement the goals of these strategies. The 15% slope line and Non-urban Hillside land use designation severely constrain hillside development. Our Urban Service Area line links land use decisions with the ability to provide basic levels of service for existing residents. The "Urban Reserve" land use designation allows the City to logically plan for future growth needs without encouraging sprawl.

Even though the City has controlled growth and preserved open space through these efforts, our strategies and policies alone do not guarantee that sprawl will be contained in the future. Last Tuesday, we announced our intention to take the next step in proactive land use planning by embarking on the Greenline Initiative. Our goal is to more permanently ensure an ultimate limit to urban development and the protection of the City's greenbelt.



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ANALYSIS

The Greenline Initiative consists of two distinct efforts: creation of an explicit Urban Growth Boundary and development of a joint implementation agreement with the County.

Urban Growth Boundary

An Urban Growth Boundary is simply an officially adopted and mapped line dividing City land which is to be developed for urban uses from County land set aside for natural or rural, very low intensity uses. The 15% slope line, the Urban Reserves, and the Urban Service Area already form an urban limit line. However, an explicit boundary has never been formally adopted as a final limit to urbanization, and the policies that currently define the line can be easily modified by future City Councils.

We believe the Urban Growth Boundary should set a firm ultimate limit to development by creating barriers to its future modification. Once established, the final boundary should be incorporated into the City and County General Plans. The boundary should generally conform to existing policy objectives. For instance, the Urban Reserves are ultimately planned for urban development in the General Plan, and therefore, should be included inside the line.

Joint Implementation Agreement

A joint implementation agreement is a cooperative undertaking between the City and County of Santa Clara to agree upon an Urban Growth Boundary, mutually determine other lands subject to the agreement, define parallel growth controls, and set enforcement mechanisms.

The cooperative agreement is necessary to lock in the boundary as tightly as possible and ensure that lands outside the Urban Service Area as well as beyond the new perimeter are controlled by policies which are consistent with the interests of both jurisdictions. An agreement should specify the physical areas to be included and a methodology for determining appropriate uses.

Moving forward with the Greenline Initiative is critical for a number of important reasons:

- 1. The Greenline Initiative will provide certainty. Pressure to develop at the City's edge is never-ending precisely because an explicit boundary for urban development has not been set. Implementing the initiative will give property owners, developers, environmentalists and future elected officials a firm set of guidelines to follow.
- 2. Creating a boundary is a logical extension of the City's land use polices that have been developed over the last twenty years. An Urban Growth Boundary will more permanently fix the greenline that existing policies have put in place.
- 3. A joint implementation agreement with the County will allow both jurisdictions to stand united on land use policy at the fringe of the City. Discrepancies between City and County policies for development within the City's sphere of influence have been exploited in the past. The Boulder Ridge Golf Course serves as a recent example. The Greenline Initiative will eliminate inconsistencies.

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4. Sprawl hurts the City's ability to provide a basic level of service to existing residents. Setting a firm limit for urban development will direct financial resources (both public and private) toward infill development, which is less costly to serve.

PROCESS

The Greenline Initiative will be a significant undertaking and raises two major questions. First, what should the boundary be and how will it be maintained? Secondly, what mutual development limitations will be applied to lands subject to an agreement? Determining the answers to both of these questions will require close coordination and negotiation with the County of Santa Clara. Therefore, the team of City officials should begin discussions with appropriate County representatives and determine a work plan for implementing the Greenline Initiative.

The City delegation should address the following issues in developing the work plan:

• Develop work plan by the end of summer, 1995 for Council approval.

• Identify City and County personnel needed to implement the work plan.

Identify geographic areas that warrant detailed analysis in establishing a boundary.

• Consider the scope of a joint implementation agreement.

Consult interested groups and organizations throughout the process.

• Include public hearings, possibly joint ones by the City Council and Board of Supervisors, prior to and after recommendations regarding a boundary and agreement are developed.

Complete the Greenline Initiative process by the end of 1995.

The work plan should be ratified by both the City Council and Board of Supervisors before major recommendations are brought forward. The Transportation, Development, & Environment Committee should periodically review progress on the work plan during the coming months.

CONCLUSION

We recommend that the City Council support the Greenline Initiative in concept and begin the process of creating an explicit Urban Growth Boundary and a joint implementation agreement with the County.

CC:

Supervisor Mike Honda Supervisor Jim Beall City Attorney City Clerk Director of Planning Council Liaison



Item Number: 8a

MAYOR'S CITY OF SAN JOSÉ - MEMORANDUM

TO: MAY 25 HOND RABLE MAYOR

AND CITY COUNCIL

FROM: JOAN R. GALLO

City Attorney

SUBJECT: Legal Analysis of the

Greenline Initiative

DATE: May 25, 1995

A number of questions have been raised about the legality of the proposed "Urban Growth Boundary and Greenline Initiative." This memorandum is intended to analyze the legal implications of the proposal.

LEGAL OPINION

In my view, the Council cannot enter into an agreement with the County or other cities which precludes a future City Council from changing the General Plan or land use ordinances. However, the City and other jurisdictions can individually establish a coordinated Urban Growth Boundary and Greenline and can enter into agreements to abide by procedural requirements which have the practical effect of precluding quick and easy changes. Such requirements could include, among other things, commitments to prepare an EIR, to submit any proposed change to an advisory vote of the people, to hold several joint public hearings, etc. Any such Urban Growth Boundary and Greenline should be defined so as to allow affected property owners some economically viable use of their property to avoid being vulnerable to a takings challenge.

LEGAL PRINCIPALS

1. Bindina Future Councils

It is a basic constitutional principal that neither a city nor a county may surrender the use of its of its police power, whether by contract or by ordinance. This concept is often articulated in terms of the prohibition against binding future councils.

Alameda County and several cities in that county entered into an agreement which committed each entity to maintain parallel open space lines in their General Plans. In January of 1994, the Attorney General issued an opinion that this constitutional principle was violated by that agreement.

The City/County Tax Sharing Agreement does not violate this principle because the City cannot preclude the Board of Supervisors from taking any legislative action in violation of the terms of the Agreement. However, if the Board were to

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take such action, it would be in breach of the agreement and would lose its right to the tax increment allocated to it under the agreement.

Likewise, Development Agreements do not actually preclude legislative decisions, they merely attempt to preclude the application of new regulations to particular developments, based on a detrimental reliance theory. There has never been a case which has definitively determined that these agreements are, in fact, valid but the entire risk resulting from any invalidity rests with the developer.

2. Statutory Provision

Assemblyman Sweeney attempted to address the Attorney General's concerns about the Alameda County agreement by introducing AB 1340. The problems with this legislative effort are three-fold:

- a. The City is given its police power by the Constitution. The state legislature cannot broaden this power, it can only narrow it.
- b. The State legislature cannot authorize by statute that which contradicts the constitution.
- c. The legal rationale underpinning this bill would allow the State to preempt charter cities whenever the purpose of the bill was regional in nature.

In analyzing a version of the Sweeney Bill, the Legislative Counsel, without addressing the constitutional issue, interpreted the bill as being "regional" in nature. The Legislative Counsel believes that the bill is valid because State planning law provides for joint and cooperative planning. The State's power to regulate with regard to the land use of regional government is greater than with regard to charter cities. Based on this analysis, the State would be able to preempt charter cities whenever the subject matter is regional in nature.

However, under the "home rule" doctrine, the State cannot regulate charter cities with regard to matters which are "municipal affairs." Generally speaking, the State can only preempt home rule with regard to matters of "state wide concern." The courts, not the State legislature, decide whether a matter is of "state wide concern" or is a "municipal affair." Local land use regulation, other than the General Plan (with very limited exceptions), has been consistently upheld as a "municipal affair."

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It is the City policy to oppose bills which are preemptive. This bill would support a very broad expansion of the State's preemptive power. The Rules Committee has recommended that the City work with the author to amend AB 1340 to address these concerns.

3. Takings

Interestingly, the Legislative Counsel, in analyzing AB 1340, did warn that cities which implement this bill might be vulnerable to takings challenges.

A taking occurs when regulation goes so far as to be the functional equivalent of an occupation of the land, i.e., leaving property essentially economically idle in the name of the common good. Therefore, under most circumstances, property cannot be required to remain totally unused, but must be available for agricultural, rural, recreational or private open space uses which can be shown to be economically feasible.

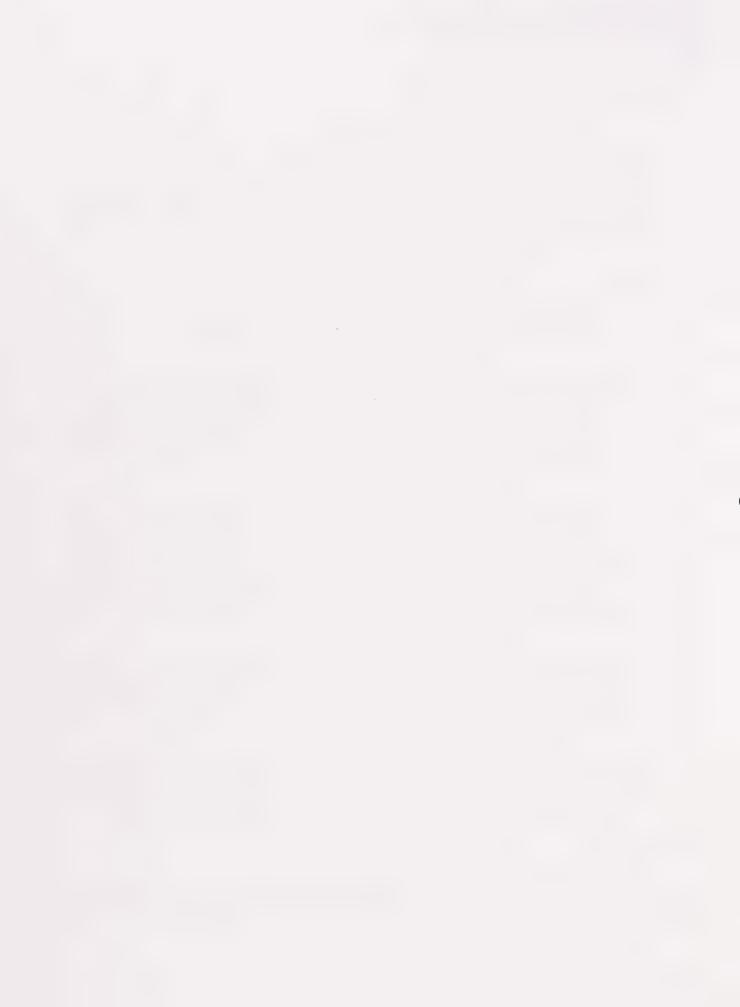
However, no takings will be found, if the property owner has not made specific development proposals which have been rejected. Therefore, it is generally desirable to have an "escape valve" or "variance" approach which allows the Council to assess the prohibition on the use of the property in terms of the specific situation. Ordinarily, an application for a change in the General Plan serves this purpose. If a City could not change its General Plan, it could more easily be charged with a taking.

As a practical matter, however, where urban development is not desired, there is no requirement that the City or County provide the infrastructure necessary to enable it nor is it required that the City or County facilitate the financing of needed infrastructure

The Council should be aware that there currently are Legislative proposals to expand the definition of "takings" to any situation where government regulation causes certain levels of reduction in value. If such legislation is enacted into law, the ability of the City to regulate land use will be seriously undermined.

CONCLUSION

If the City Council wishes, as a matter of public policy, to implement an Urban Growth Boundary and Greenline Program, it will be possible for the City and County, without



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State enabling legislation, to develop a practical proposal which does not violate the constitutional prohibition against binding future councils and which does not create a taking.

Please feel free to contact me if you have any questions about this memorandum.

JØAN R. GALL

JRG:gs

cc: Regina V. K. Williams

Gary Schoennauer

Council Agenda: 5/30/95 Item Number: 8a

CITY OF SAN JOSE - MEMORANDUM

TO: Mayor and City Council

FROM: Councilmembers Dando, Diaz, Powers,

Shirakawa, Jr.

SUBJECT: Greenline Initiative Framework DATE: May 26, 1995

APPROVED: Mg Q 1BD 6ms Dat

DATE:

RECOMMENDATION

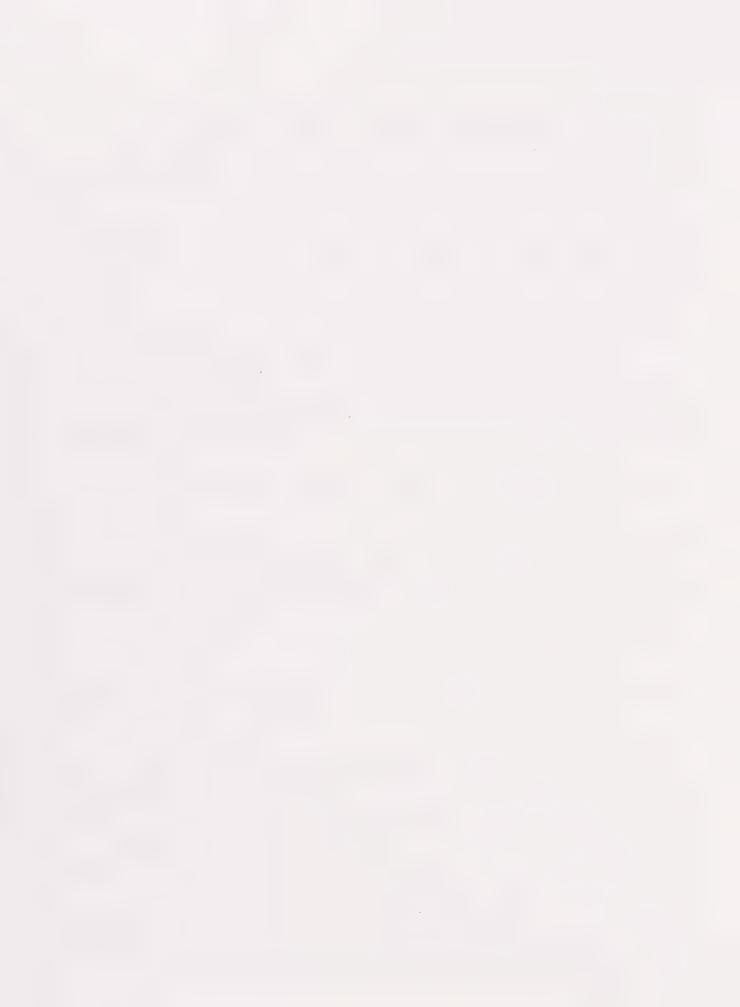
1) The City Council endorse the concept of an urban growth boundary and indicate its desire to work with the County on implementing the concept.

- 2) Before beginning discussions with the County, the City should adopt a framework for negotiations regarding implementation of a Greenline Strategy. The framework should take into account the concepts identified in this memo and those of other councilmembers.
- 3) Direct the Administration to schedule a Committee of the Whole meeting within 90 days to address issues related to the Greenline.
 - 4) Direct the City Attorney to meet with the County Counsel and begin discussions on revisions to the City of San Jose/County of Santa Clara Tax Allocation Agreement which would require all development proposals within the City Limits (including golf courses) to be annexed into the City and fall under City jurisdiction for planning approval.

BACKGROUND

Limiting urban sprawl, preserving open space, and protecting hillsides is essential to preserve the quality of life for future generations in San Jose.

The City of San Jose has recognized the need to manage suburban sprawl and preserve open space. We have had progressive growth management land use policies since 1976 when GP'75 was adopted. In 1982, the City adopted a Greenline Strategy in Horizon 2000. The recently adopted GP2020 has several sections devoted to growth management policies including Greenline, Urban Conservation/ Preservation, Hillside Development, Urban Reserves, and Non-urban Hillsides. San Jose's leaders have been consistent in their desire to maintain this strategy. The current General Plan of the City of San Jose states, "The Greenline is a strategy to define the ultimate perimeter of urbanization in San Jose. The Greenline is intended to develop a clearer identity for San Jose by defining where the City begins and ends to preserve valuable open space resources. The natural environment and resources surrounding the Urban Service Area are the inspiration for this strategy." GP2020 was developed over a period of years and was just adopted by the City Council in 1994.



At the same time the City of San Jose has strongly defended the right of the City to its land use authority. Just last year the City spent almost a full year developing a set of policies with developers and School Districts which enable the Council to maintain land use authority while setting in motion a process by which developers and school districts work cooperatively to resolve school impact issues.

ANALYSIS

We suggest that the City Council direct City staff to develop a complete framework and process for implementation of a Greenline Policy before embarking on discussions with the County (other than the Tax Allocation Agreement revisions recommended above). We believe that the following ideas, and those of other councilmembers, should be incorporated into a framework of a COW to ensure that the City's best interests are protected in any future discussions. These ideas should be incorporated into the agenda for the Committee of the Whole recommended above.

FRAMEWORK FOR CITY / COUNTY DISCUSSIONS -- ELEMENTS

- 1) The City should neither support the creation of any new levels of government nor delegate our land use powers to another government entity. The City's land use powers are vital to its future. They affect the quality of life in our city and what it will be like for future generations. Creating any new level of government would diminish the City's ability to guide its own future. Another level of government would also be less directly accountable to the people. Today, people want less government, not new government bureaucracies.
- 2) The City should utilize its existing authority and work with the County to adopt a Joint General Plan for the unincorporated areas of the County within San Jose's sphere of influence. There already is existing statutory authority for local governments to adopt identical, joint general plans for areas of common interest between neighboring local governments. The City has not utilized this authority. This approach could reduce the disputes that occur between the County and the City regarding land use proposals in unincorporated areas. A joint general plan would also allow a broad cross-section of the community to be involved in the approval of general plan amendments.
- 3) The City should utilize the considerable work already completed on defining San Jose's Greenline both in our General Plan, as well as in the 1986 Greenbelt Study that involved a 25 member task force. Significant time, effort, and money has already been spent to define the Greenline in the City's General Plan. The General Plan already identifies a Coyote greenbelt, defining the area as "a permanent, non-urban buffer between San Jose and Morgan Hill." Also, the City has designated most lands above the 15% slope line a "non-urban hillside."

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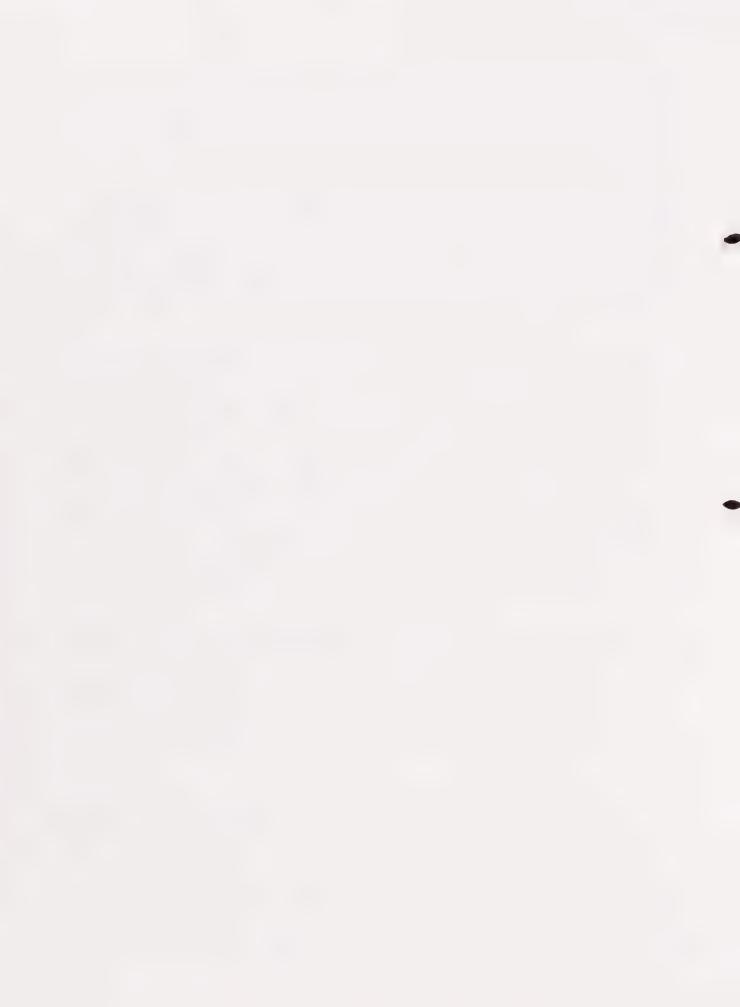
In addition to the General Plan, a major study on preserving San Jose's Greenbelt was completed in 1986 involving a 25 member task force. The City Council approved the recommendations of the task force. The City Council should review and implement these recommendations before expending funds to create another like policy.

4) The City should strengthen and enforce the existing land use components contained within the City of San Jose/County of Santa Clara Tax Allocation Agreement. The City and County have already entered into an agreement giving the City review of certain county land use decisions in unincorporated areas. This agreement does include areas within the City's Greenbelt. We should consider making improvements to this agreement that are needed to ensure that it is effective and useful.

We believe that the current City of San Jose/County of Santa Clara Tax Allocation Agreement has served as an effective mechanism to ensure that no development occurs in unincorporated areas without the City's approval. The recent City/County dispute over Boulder Ridge Golf Course project should not lead to more cumbersome ineffective new agreements with the County. Rather we should simply work with the Board of Supervisors to clarify the language in the City of San Jose/County of Santa Clara Tax Allocation Agreement so that future disputes will have an agreed upon process for reaching resolution. It is important to point out that since the Boulder Ridge Golf Course approval in the County the County Board of Supervisors have adopted a new General Plan which almost entirely mirrors the language in our General Plan on Growth Management issues. We believe the current Board would be willing to work with the City in clarifying the language in the City of San Jose/County of Santa Clara Tax Allocation Agreement so that "Boulder Ridge" type disputes will not occur again under County jurisdiction.

5) The City should evaluate how a Joint Implementation Agreement may impact San Jose's economic development position within the county. The City could jeopardize its economic development competitiveness with other cities in the County, especially Morgan Hill. By locking in land uses that could not be changed without County approval, job-generating projects could go to other cities in the County. The County would receive the same financial impact for a project whether it is located in San Jose or another city in the County. However, San Jose may experience a negative impact.

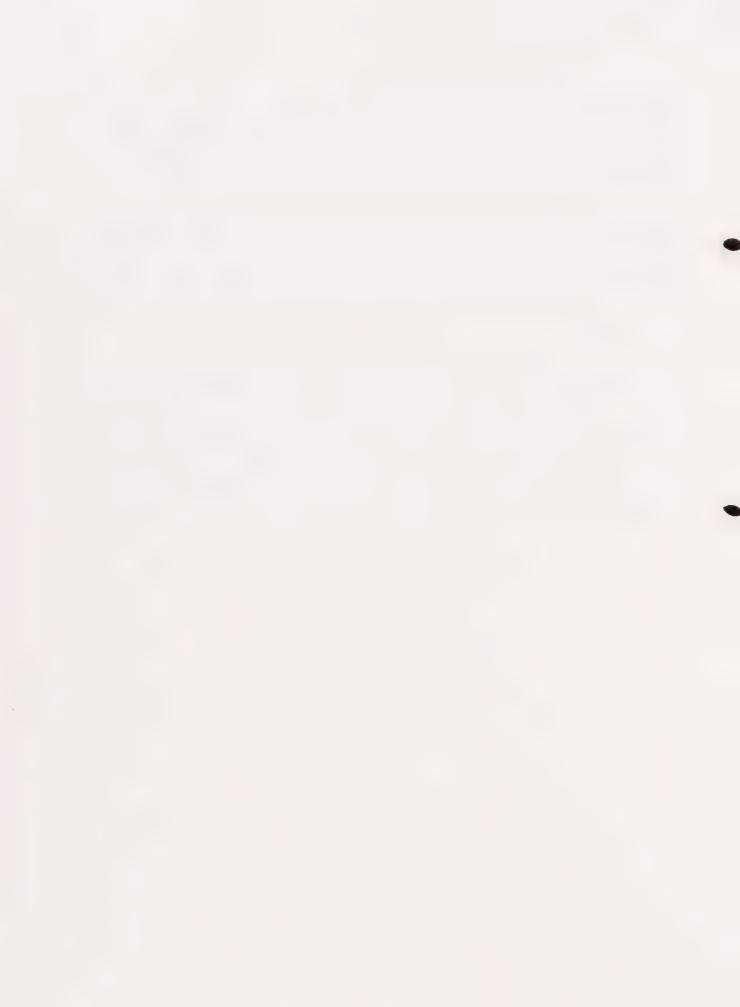
It is incumbent upon the current City Council not to preempt future City Councils from making decisions which are critical to the future of our City. The City Council is the decision making body of the City of San Jose. Future Councils should have the flexibility to deal with issues as they deem necessary. We believe that it would be presumptuous for a current Council to say that it knows better than future Councils what is in the best interest of the City 20, 50 or even 100 years from now. We are a dynamic City and one which needs to be responsive to needs which will face us in the future. Future City Councils need to be ensured the maximum flexibility when making decisions and the full authority to make land use decisions based on the current times for the betterment of San Jose.



- 6) The City should develop a draft Greenline map which would, upon Council approval be added to the General Plan as a clear statement to residents, landowners and developers where development will stop in San Jose. This Greenline map would draw a line around the City including the Urban Reserves and property below the 15% slope line.
- 7) The City should consider sending a letter to the Board of Supervisors strongly urging the Board to develop language in their General Plan which is consistent with our Greenline/Growth Management Policies and would include language which states that any development which occurs within our City limits shall be referred to San Jose for land use planning.

CONCLUSION

Limiting urban sprawl, preserving open space, and protecting hillsides is essential to preserve the quality of life for future generations in San Jose. We support the growth management policies of the City of San Jose which have stood as progressive strategies for over two decades. The City's General Plan has always and should continue to be the best mechanism to ensure growth management and maintain the City's land use authority. Working within our General Plan and in harmony with the County, we can continue to ensure growth management to limit urban sprawl and maintain land use authority for the future of our City.



CITY OF SAN JOSÉ - MEMORANDUM

TO: City Council Members

FROM: Mayor Susan Hammer

Vice-mayor Trixie Johnson

Councilmember Margie Fernandes

SUBJECT: GREENLINE STRATEGY DATE: May 30, 1995

APPROVED: AND MALL HOATE:

BACKGROUND

The memo regarding the Greenline Initiative dated May 26th by Councilmembers Dando, Diaz, Powers, and Shirakawa has some useful suggestions regarding the process the City Council might employ to provide strong implemention mechanisms for the Greenline strategy called for in our General Plan.

We concur with the recommendations to refer the various implementation mechanisms suggested by Councilmembers to staff and to review the staff analyses at an

appropriate Council committee meeting in no more than 90 days.

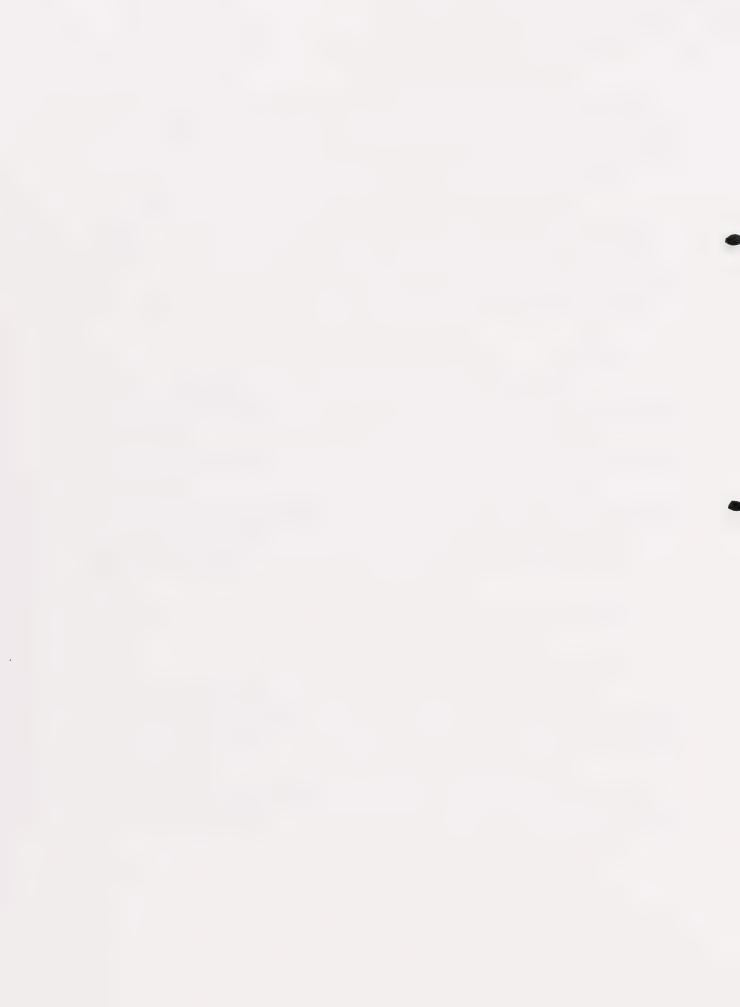
Unfortunately, the text of the memo includes numerous passages that are ambiguous, difficult to interpret, and contradictory. Some passages imply a willingness to reverse the core elements of the Greenline Strategy already incorporated in San Jose's current General Plan. Since we are confident that the intent of the memo is to strengthen San Jose's urban growth boundaries, we believe it is important that the memo be amended so its language and intent are compatible.

RECOMMENDED AMENDMENTS

First Recommendation in the Memo of May 26th.

The recommendation endorses an urban growth boundary in general. However, the City's General Plan already includes a Greenline Strategy with the goal of defining the <u>ultimate</u> perimeter of urbanization in San Jose. Since the recommendation does not specifically reference the Greenline, it could be interpreted as City Council endorsement of a weaker and more temporary urban growth strategy than the one called for in our General Plan.

Recommended Amendment: The City Council endorses the concept of a permanent urban growth boundary to implement the Greenline Strategy as defined in the current San Jose General Plan, and the City Council indicates its desire to work with the County on implementing that concept.



First Framework Element

The proposal that the City should not support the creation of any new levels of government contradicts existing Council policy and Council actions in a host of areas. For example, in the past few years, the City of San Jose has supported at least three new levels of local government: the Local Transportation Authority (to implement Measure A), the new Open Space District, and the Bay Vision Regional Planning Agency. In all of these cases, the new levels of government did not diminish but actually expanded the city's ability to define its future - in transit policy, open space protection, and in housing and tax policy (if the Bay Vision legislation had been adopted).

In addition, the statement that the public does not "want" new levels of government is simply inaccurate. The voters overwhelmingly approved the new levels of government called for in Measure A and the advisory vote for an Open Space District.

Recommended Amendment Although it is unlikely the Greenline Strategy will require a new level of government, the City should review any proposals to create new levels of government with special care, making certain that the benefits to the public outweigh the costs of such actions.

Fourth Framework Element

The claim that the current San Jose/Santa Clara Tax Allocation Agreement has been "effective." and should be automatically assumed to be superior to any other form of agreement seems confusing in light of the performance of that agreement. In fact, the agreement produced angry disputes and strong demands for its modification by County Supervisors in the late 1980's, contributed to an extended and serious legal dispute between the City and County in 1992, and proved inadequate to prevent the recent Boulder Ridge fiasco.

To be sure, the agreement is better now than it once was, and it is in everyone's interest to improve it. However, its record hardly demonstrates that the Tax Allocation agreement should be the only vehicle we evaluate to improve our level of land use coordination with the County.

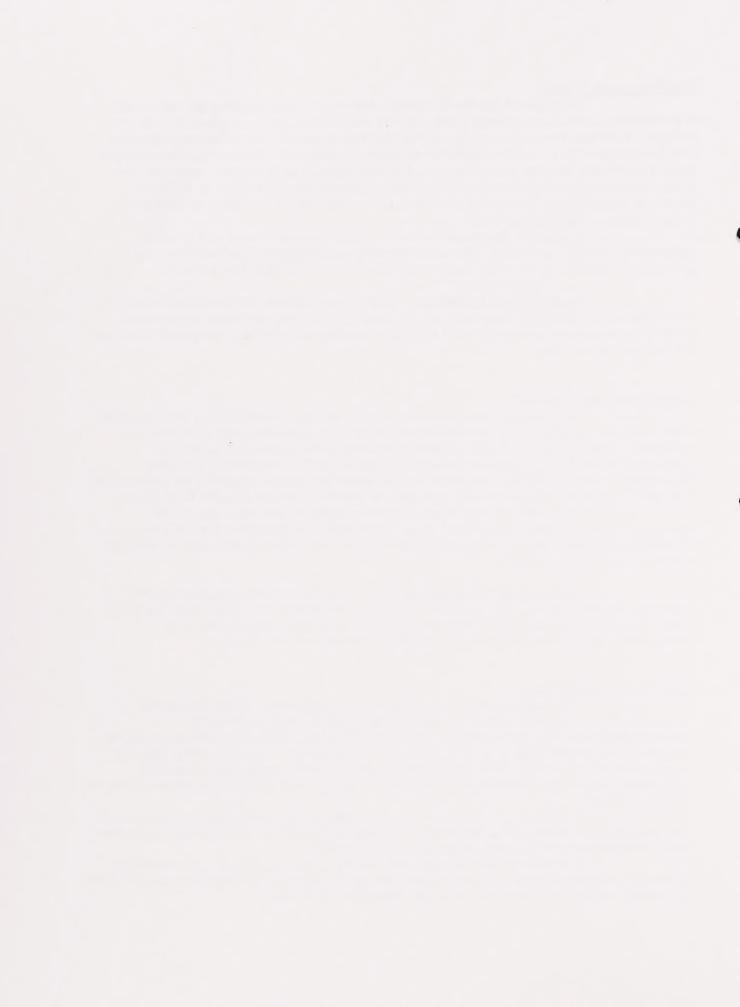
Recommended Amendment: The City should evaluate strengthening and enforcing the existing land use components contained within the City of San Jose/County of Santa Clara Tax Allocation Agreement in comparison with, and in addition to, other mechanisms for improving coordination of land use policy with the County.

Fifth Framework Element

The suggestion that a joint agreement to implement a Greenline might negatively impact San Jose's economic development position implies, probably unintentionally, that the city's Greenline would be open to modification to capture a desirable tax generating project. Such a position, of course, would constitute a total reversal from the current General Plan which defines the Greenline as the "ulimate perimeter" of the city. Ultimate perimeters are meaningless if they can be breached every time a corporation offers you an attractive deal.

I believe the City Council should emphasize that the Greenline Strategy must be combined with an economic development strategy to ensure that San Jose retains adequate land for industrial growth on the urban side of the Greenline.

This section also includes a discussion of the legitimacy of the current City Council attempting to make decisions which preempt the flexibility of future city councils. As it is currently drafted, the discussion is simply difficult to understand.



All of us are aware that the most permanent land use decisions a City Council can make are decisions to approve development. Such actions can give property owners vested rights which cannot be altered by a future council. Once construction occurs (with modern building technology), developments are permanent for 100 years. When the City Council approved the plan for industrial development in North San Jose, when we approved the specific plans for Communications Hill and Evergreen, we made decisions that utterly deny flexibility to the City Councils of 20, 50 or 100 years into the future. At no time during these debates do we recall anyone claiming these actions were "presumptuous."

Since it is obvious that decisions to allow development are permanent, this section reads as if its authors were proposing a double standard for land use decisions - decisions to allow development would be permanent; decisions to protect hillsides and open space could only be temporary. We do not believe the authors intended such an interpretation.

Recommended Amendments: The City should evaluate how a Joint Implementation Agreement may impact San Jose's economic development position within the County in order to design economic development strategies that are compatible with the permanent Greenline called for in our General Plan. In all cases in which the City Council adopts permanent land use designations, either for development or open space protection, the City should proceed cautiously, recognizing that its actions reduce the flexibility of future City Councils.

